

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 110th Congress¹**

[Date approved: March 27, 2008]²

Bill No. and sponsor: H.R. 4403 (Mr. Dan Burton of Indiana).

Proponent name,³ location: Dow Chemical Company, Midland, MI.

Other bills on product (110th Congress only): None.

Nature of bill: Extension of temporary duty suspension through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Methyl hydroxyethyl cellulose products containing 30% or greater content of 2-hydroxyethyl methyl ether cellulose ("MHEC") reaction products with glyoxal (CAS No. 68441-63-4) (provided for in subheading 3912.39.00).

Check one: Same as that in bill as introduced.
 Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject product is a chemical reaction product of cellulose with glyoxal (an organic dialdehyde) that is used in dispersion-based and cement-based building material systems to improve workability properties, such as water retention of the final product. It is used in cement and gypsum-based building material systems (e.g. cement tile adhesives and plaster). The proponent imports the product from an affiliate in Germany.

¹ Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tata/hts/other/rel_doc/bill_reports/.

³ The sponsor/proponent did not identify any additional beneficiaries of this bill.

Estimated effect on customs revenue:

HTS subheading: <u>3912.39.00</u>					
 	2009	2010	2011	2012	2013
Col. 1-General rate of duty (AVE)	4.2%	4.2%	4.2%	4.2%	4.2%
Estimated value <i>dutiable</i> imports	\$8,000,000	\$8,250,000	\$8,500,000	\$8,750,000	\$9,000,000
Customs revenue loss 1/	\$0	\$346,500	\$357,000	\$367,500	\$378,000

1/ There is an existing duty suspension under HTS heading 9902.11.84 that expires on December 31, 2009. Therefore, there will be no customs revenue loss related to this bill in 2009.

Source of estimated dutiable import data: Commission and U.S. industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Dow Chemical Company (Proponent) Max Turnipseed, 225-338-0310	01/29/2008	No	No	No
Bayer Corporation Karen Niedermeyer, 412-777-2058	02/14/2008	No	No	No
Clariant (Zamoyski and Company) Andrew Zamoyski, 202-415-9159	02/15/2008	No	No	No
Hercules, Incorporated Jim Davis, 302-594-7006	02/15/2008	No	No	No
LANXESS Corporation Jamie Schaeffer, 412-809-3666	02/14/2008	No	No	No
National Paint and Coatings Association Allen Irish, 202-462-6272 David Lloyd, 202-462-6272	02/15/2008	No	No	No

Technical comments:⁴

None.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

110TH CONGRESS
1ST SESSION

H. R. 4403

To extend the temporary duty suspension on methyl hydroxyethyl cellulose products.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2007

Mr. BURTON of Indiana introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the temporary duty suspension on methyl hydroxyethyl cellulose products.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. METHYL HYDROXYETHYL CELLULOSE PROD-**
4 **UCTS.**

5 (a) IN GENERAL.—Heading 9902.11.84 of the Har-
6 monized Tariff Schedule of the United States (relating to
7 methyl hydroxyethyl cellulose products) is amended by
8 striking the date in the effective period column and insert-
9 ing “12/31/2011”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of the enactment of this Act.

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